

Property Tax Relief Fund (Equalization & Medicaid Off-Set)



Purpose	<p>The Property Tax Relief Fund includes the general fund appropriation for equalization payments made to the Mental Health and Disability Services (MHDS) Regions using the formula set by Iowa Code 426B.3.</p> <p>Property Tax Relief Fund will also include the Medicaid Offset amounts paid by the regions/counties who received an equalization payment. Iowa Code 426B.3 requires the Department to make a recommendation for the reinvestment of the funds deposited into this fund as a result of Medicaid offset for core and additional core services administered by the MHDS Regions.</p>
Who Is Helped	<p>The MHDS regions are required to ensure a set of core services are available to meet the needs of individuals with a mental illness and/or an intellectual disability in their regions.</p> <p>After the MHDS region has ensured that core services are provided to individuals with a mental illness (MI) and/or intellectual disability (ID), the MHDS region may provide services to individuals with a brain injury and/or other developmental disability.</p> <ul style="list-style-type: none"> ✓ <i>Equalization is distributed to those counties that collect less than \$47.28 per capita in their property tax levy to raise their revenue to this level of funding. This funding is used for MHDS services in the MHDS region.</i> ✓ <i>Medicaid offset is defined by legislation as the projected amount for a fiscal year that would have been paid by the county for MHDS services, but are now instead paid for by the Iowa Health and Wellness Plan.</i> ✓ <i>The legislation requires the Department to determine the Medicaid offset amount for each county and inform counties of this amount by October 15, 2014.</i> ✓ <i>If a county received an equalization payment they will use these dollars to pay back to the state the Medicaid offset.</i>
Services	<p>The MHDS regions are required to ensure access to a set of core services for individuals that have a MI and/or ID including:</p> <ul style="list-style-type: none"> • Treatment, • Basic crisis response, and support for community living, • Support for employment activities, • Recovery services, and • Service coordination. <p>After an MHDS region has ensured that core services are available to individuals with MI and/or ID, the region may provide additional core services including:</p> <ul style="list-style-type: none"> • Comprehensive facility and community based crisis services, • Sub-acute community and facility based services, • Justice system involved services, and • Advanced evidenced based treatment.
Goals & Strategies	<p>Goal: To support required MHDS region core services and increase access to crisis response services and justice involved services.</p> <p>Strategy: Provide funding and appropriate Medicaid offset.</p>

Cost of Services	The SFY15 status quo appropriation for equalization is \$30,555,823. Applying the \$47.28 per capita levy limit to the 2013 Census county population estimates for SFY16 results in a total amount of \$31,368,726.
Funding Sources	Property Tax Relief Fund includes state general funds for equalization and receipts from county Medicaid offset payments.
SFY16 & SFY17 Budget Drivers	<p>A SFY16 and SFY17 budget request for equalization is not included at this time. A request is not being made because a number of factors that should be considered in determining the need for equalization are not yet known, including:</p> <ul style="list-style-type: none"> • The full positive financial effect that the Iowa Health and Wellness Plan is having on reducing MHDS regional non-Medicaid expenditures in: <ul style="list-style-type: none"> ◦ SFY 2014 will not be known until October 15, 2014; and ◦ SFY 2015 will not be known for at least another year. • The amount of fund balances available to counties/regions to pay for MHDS core services in SFY16 will not be known for some time: <ul style="list-style-type: none"> ◦ The actual amount of MHDS Regions' SFY14 ending fund balances will not be known until December 2014; and ◦ Only when the SFY14 ending fund balances are known can the MHDS Regions' projected SFY15 ending fund balances be evaluated. • The amount of equalization payments that Medicaid Offset will make available to the legislature to reallocate to MHDS Regional core services in SFY16 will not be known until October 15, 2014. • The legislature did not extend authorization for equalization payments in SFY17. <p>In SFY 16 and SFY 17, the Department recommends that the SFY15 & SFY16 Medicaid offset payment made to the state be appropriated to first assure that all individuals with a mental illness or intellectual disability have access to MHDS region core services consistent with IAC 441-25.</p> <p>The Department recommends that any remaining funds be used to support additional core services for comprehensive facility and community based crisis services as defined in proposed IAC 441-24 and justice involved services.</p>
Legal Basis	<p>State:</p> <ul style="list-style-type: none"> • Iowa Code 426B.3